

**SERIAL 07165 RFP REAL ESTATE CASE DEVELOPMENT AND PROJECT
MANAGEMENT SERVICES - Contract The Staubach Company**

DATE OF LAST REVISION: April 07, 2008

CONTRACT END DATE: March 31, 2009

CONTRACT PERIOD THROUGH MARCH 31, 2009

TO: All Departments

FROM: Department of Materials Management

SUBJECT: Contract for **REAL ESTATE CASE DEVELOPMENT AND PROJECT
MANAGEMENT SERVICES**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **March 26, 2008**.

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

Wes Baysinger, Director
Materials Management

SD/mm
Attach

Copy to: Materials Management
Dennis Lindsey, Real Estate



CONTRACT PURSUANT TO RFP

SERIAL 07165-RFP

This Contract is entered into this 26th day of March, 2008 by and between Maricopa County ("County"), a political subdivision of the State of Arizona, and Staubach Arizona LLC, an Arizona LLC ("Contractor") for the purchase of Real Estate services.

1.0 TERM

- 1.1 This Contract is for a term of ONE (1) year, beginning on the 26th day of March, 2008 and ending the 31st day of March, 2009.
- 1.2 The County may, at its option and with the agreement of the Contractor, extend the period of this Contract for additional terms up to a maximum of FIVE (5) years, (or at the County's sole discretion, extend the contract on a month to month bases for a maximum of six (6) months after expiration). The County shall notify the Contractor in writing of its intent to extend the Contract period at least ninety (90) calendar days prior to the expiration of the original contract period, or any additional term thereafter.

2.0 PAYMENT

- 2.1 As consideration for performance of the duties described herein, County shall pay Contractor the sum(s) stated in Exhibit "A."
- 2.2 Payment shall be made upon the County's receipt of a properly completed invoice. Invoices shall contain the following information: Contract number, purchase order number, item numbers, description of supplies and/or services, sizes, quantities, unit prices, extended totals and any applicable sales/use tax.

2.3 INVOICES AND PAYMENTS:

2.3.1 The Contractor shall submit two (2) legible copies of their detailed invoice before payment(s) can be made. At a minimum, the invoice must provide the following information:

- 2.3.1.1 Company name, address and contact
- 2.3.1.2 County bill-to name and contact information
- 2.3.1.3 Contract Serial Number
- 2.3.1.4 County purchase order number
- 2.3.1.5 Invoice number and date
- 2.3.1.6 Payment terms
- 2.3.1.7 Date of service
- 2.3.1.8 Quantity (number of days or weeks)
- 2.3.1.9 Contract Item number(s)
- 2.3.1.10 Description of Purchase
- 2.3.1.11 Pricing per unit of purchase
- 2.3.1.12 Extended price
- 2.3.1.13 Total Amount Due

Problems regarding billing or invoicing shall be directed to the using agency as listed on the Purchase Order.

- 2.3.2 Payment will be made to the Contractor by Accounts Payable through the Maricopa County Vendor Express Payment Program. This is an Electronic Funds Transfer (EFT) process. After Award the Contractor shall fill out an EFT Enrollment form (to be provided by the Procurement Officer) or as located on the County Department of Finance Website as a fillable PDF document (www.maricopa.gov/finance/).
- 2.3.3 EFT payments to the routing and account numbers designated by the Contractor will include the details on the specific invoices that the payment covers. The Contractor is required to discuss remittance delivery capabilities with their designated financial institution for access to those details.

3.0 DUTIES

- 3.1 The Contractor shall perform all duties stated in Exhibit "B."
- 3.2 The Contractor shall perform services at the location(s) and time(s) stated in Exhibit "B," or as otherwise directed in writing.
- 3.3 During the Contract term, County shall provide Contractor's personnel with adequate workspace for consultants and such other related facilities as may be required by Contractor to carry out its contractual obligations.

4.0 TERMS & CONDITIONS

4.1 INDEMNIFICATION:

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless County, its agents, representatives, officers, directors, officials, and employees from and against all claims, damages, losses and expenses, including, but not limited to, attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the negligent acts, errors, omissions or mistakes relating to the performance of this Contract. Contractor's duty to defend, indemnify and hold harmless County, its agents, representatives, officers, directors, officials, and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property, including loss of use resulting there from, caused by any negligent acts, errors, omissions or mistakes in the performance of this Contract including any person for whose acts, errors, omissions or mistakes Contractor may be legally liable.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

The scope of this indemnification does not extend to the sole negligence of County.

4.2 INSURANCE REQUIREMENTS:

Contractor, at Contractor's own expense, shall purchase and maintain the herein stipulated minimum insurance from a company or companies duly licensed by the State of Arizona and possessing a current A.M. Best, Inc. rating of B++6. In lieu of State of Arizona licensing, the stipulated insurance may be purchased from a company or companies, which are authorized to do business in the State of Arizona, provided that said insurance companies meet the approval of County. The form of any insurance policies and forms must be acceptable to County.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of County, constitute a material breach of this Contract.

Contractor's insurance shall be primary insurance as respects County, and any insurance or self-insurance maintained by County shall not contribute to it.

Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect the County's right to coverage afforded under the insurance policies.

The insurance policies may provide coverage that contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to County under such policies. Contractor shall be solely responsible for the deductible and/or self-insured retention and County, at its option, may require Contractor to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

County reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and/or endorsements. County shall not be obligated, however, to review such policies and/or endorsements or to advise Contractor of any deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of County's right to insist on strict fulfillment of Contractor's obligations under this Contract.

The insurance policies required by this Contract, except Workers' Compensation, and Errors and Omissions, shall name County, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

The policies required hereunder, except Workers' Compensation, and Errors and Omissions, shall contain a waiver of transfer of rights of recovery (subrogation) against County, its agents, representatives, officers, directors, officials and employees for any claims arising out of Contractor's work or service.

Contractor is required to procure and maintain the following coverages indicated by a checkmark:

4.2.1 Commercial General Liability.

Commercial General Liability insurance and, if necessary, Commercial Umbrella insurance with a limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products/Completed Operations Aggregate, and \$2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage, and shall not contain any provision which would serve to limit third party action over claims. There shall be no endorsement or modification of the CGL limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.

4.2.2 Automobile Liability.

Commercial/Business Automobile Liability insurance and, if necessary, Commercial Umbrella insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence with respect to any of the Contractor's owned, hired, and non-owned vehicles assigned to or used in performance of the Contractor's work or services under this Contract.

4.2.3 Workers' Compensation.

Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of the work or services under this Contract; and Employer's Liability insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease for each employee, and \$1,000,000 disease policy limit.

Contractor waives all rights against County and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the Workers' Compensation and Employer's Liability or commercial umbrella liability insurance obtained by Contractor pursuant to this Contract.

4.2.4 Certificates of Insurance.

4.2.4.1 Prior to commencing work or services under this Contract, Contractor shall furnish the County with certificates of insurance, or formal endorsements as required by the Contract in the form provided by the County, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect. Such certificates shall identify this contract number and title.

In the event any insurance policy (ies) required by this Contract is (are) written on a "claims made" basis, coverage shall extend for two (2) years past completion and acceptance of Contractor's work or services and as evidenced by annual Certificates of Insurance.

If a policy does expire during the life of the Contract, a renewal certificate must be sent to County fifteen (15) days prior to the expiration date.

4.2.4.2 Cancellation and Expiration Notice.

Insurance required herein shall not be permitted to expire, be canceled, or materially changed without thirty (30) days prior written notice to the County.

4.5 NOTICES:

All notices given pursuant to the terms of this Contract shall be addressed to:

For County:

Maricopa County
Department of Materials Management
Attn: Director of Purchasing
320 West Lincoln Street
Phoenix, Arizona

For Contractor:
STEVE CORNEY
MANAGING PRINCIPAL
3131 EAST CAMELBACK ROAD, SUITE 110
PHOENIX, AZ. 85016

4.6 REQUIREMENTS CONTRACT:

4.6.1 Contractor signifies its understanding and agreement by signing this document that this Contract is a requirements contract. This Contract does not guarantee any purchases will be made (minimum or maximum). Orders will only be placed when County identifies a need and issues a purchase order or a written notice to proceed.

4.6.2 County reserves the right to cancel purchase orders or notice to proceed within a reasonable period of time after issuance. Should a purchase order or notice to proceed be canceled, the County agrees to reimburse the Contractor for actual and documented costs incurred by the Contractor. The County will not reimburse the Contractor for any avoidable costs incurred after receipt of cancellation, or for lost profits, or shipment of

product or performance of services prior to issuance of a purchase order or notice to proceed.

4.6.3 Contractor agrees to accept oral cancellation of purchase orders.

4.7 **PRICE ADJUSTMENTS:**

Any requests for reasonable price adjustments must be submitted sixty (60) days prior to the Contract expiration date etc. Requests for adjustment in cost of labor and/or materials must be supported by appropriate documentation. If County agrees to the adjusted price terms, County shall issue written approval of the change. The reasonableness of the request will be determined by comparing the request with the (Consumer Price Index) or by performing a market survey.

4.8 **TERMINATION FOR CONVENIENCE:**

The County reserves the right to terminate the Contract, in whole or in part at any time, when in the best interests of the County without penalty or recourse. Upon receipt of the written notice, the Contractor shall immediately stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the County. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the County upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination.

4.9 **TERMINATION FOR DEFAULT:**

4.9.1 In addition to the rights reserved in the Contract, the County may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.

4.9.2 Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the County on demand.

4.9.3 The County may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the County for any excess costs incurred by the County in procuring materials or services in substitution for those due from the Contractor.

4.9.4 The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

4.10 **STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:**

Notice is given that pursuant to A.R.S. §38-511 the County may cancel this Contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County is at any time while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or consultant to any other party of the Contract with respect to the subject matter of the Contract. Additionally, pursuant to A.R.S §38-511 the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County from any other party to the contract arising as the result of the Contract.

4.11 OFFSET FOR DAMAGES;

In addition to all other remedies at law or equity, the County may offset from any money due to the Contractor any amounts Contractor owes to the County for damages resulting from breach or deficiencies in performance under this contract.

4.12 ADDITIONS/DELETIONS OF SERVICE:

The County reserves the right to add and/or delete products and/or services provided under this Contract. If a requirement is deleted, payment to the Contractor will be reduced proportionately to the amount of service reduced in accordance with the proposal price. If additional services and/or products are required from this Contract, prices for such subtractions or additions will be negotiated between the Contractor and the County.

4.13 SUBCONTRACTING:

The Contractor may not assign this Contract or subcontract to another party for performance of the terms and conditions hereof without the written consent of the County, which shall not be unreasonably withheld. All correspondence authorizing subcontracting must reference the Proposal Serial Number and identify the job project.

4.14 AMENDMENTS:

All amendments to this Contract shall be in writing and approved/signed by both parties. Maricopa County Materials Management shall be responsible for approving all amendments for Maricopa County.

4.15 RETENTION OF RECORDS:

The Contractor agrees to retain all financial books, records, and other documents relevant to this Contract for five (5) years after final payment or until after the resolution of any audit questions which could be more than five (5) years, whichever is longer. The County, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine, copy and make use of, any and all said materials.

If the Contractor's books, records and other documents relevant to this Contract are not sufficient to support and document that requested services were provided, the Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.

4.16 AUDIT DISALLOWANCES:

If at any time, County determines that a cost for which payment has been made is a disallowed cost, such as overpayment, County shall notify the Contractor in writing of the disallowance. County shall also state the means of correction, which may be but shall not be limited to adjustment of any future claim submitted by the Contractor by the amount of the disallowance, or to require repayment of the disallowed amount by the Contractor.

4.17 ALTERNATIVE DISPUTE RESOLUTION:

4.17.1 After the exhaustion of the administrative remedies provided in the Maricopa County Procurement Code, any contract dispute in this matter is subject to compulsory arbitration. Provided the parties participate in the arbitration in good faith, such arbitration is not binding and the parties are entitled to pursue the matter in state or federal court sitting in Maricopa County for a de novo determination on the law and facts. If the parties cannot agree on an arbitrator, each party will designate an arbitrator and those two arbitrators will agree on a third arbitrator. The three arbitrators will then serve as a panel to consider the arbitration. The parties will be equally responsible for the compensation for the arbitrator(s). The hearing, evidence, and procedure will be in accordance with Rule 74 of the Arizona Rules of Civil Procedure. Within ten (10) days of the completion of the hearing the arbitrator(s) shall:

4.17.1.1 Render a decision;

4.17.1.2 Notify the parties that the exhibits are available for retrieval; and

4.17.1.3 Notify the parties of the decision in writing (a letter to the parties or their counsel shall suffice).

4.17.2 Within ten (10) days of the notice of decision, either party may submit to the arbitrator(s) a proposed form of award or other final disposition, including any form of award for attorneys' fees and costs. Within five (5) days of receipt of the foregoing, the opposing party may file objections. Within ten (10) days of receipt of any objections, the arbitrator(s) shall pass upon the objections and prepare a signed award or other final disposition and mail copies to all parties or their counsel.

4.17.3 Any party which has appeared and participated in good faith in the arbitration proceedings may appeal from the award or other final disposition by filing an action in the state or federal court sitting in Maricopa County within twenty (20) days after date of the award or other final disposition. Unless such action is dismissed for failure to prosecute, such action will make the award or other final disposition of the arbitrator(s) a nullity.

4.18 SEVERABILITY:

The invalidity, in whole or in part, of any provision of this Contract shall not void or affect the validity of any other provision of this Contract.

4.19 RIGHTS IN DATA:

The County shall own have the use of all data and reports resulting from this Contract without additional cost or other restriction except as provided by law. Each party shall supply to the other party, upon request, any available information that is relevant to this Contract and to the performance hereunder.

4.20 INTEGRATION:

This Contract represents the entire and integrated agreement between the parties and supersedes all prior negotiations, proposals, communications, understandings, representations, or agreements, whether oral or written, express or implied.

4.21 GOVERNING LAW:

This Contract shall be governed by the laws of the state of Arizona. Venue for any actions or lawsuits involving this Contract will be in Maricopa County Superior Court or in the United States District Court for the District of Arizona, sitting in Phoenix, Arizona

IN WITNESS WHEREOF, this Contract is executed on the date set forth above.

CONTRACTOR

AUTHORIZED SIGNATURE

John Wyss, Managing Principal
PRINTED NAME AND TITLE

3131 E. Camelback Rd, Suite 110,
ADDRESS Phoenix, AZ 85016

April 17, 2008 March 17, 2008
DATE

MARICOPA COUNTY

Chairman CHAIRMAN BOARD OF SUPERVISORS

BY: _____
DIRECTOR, MATERIALS MANAGEMENT

DATE

ATTESTED:

San McCarry
CLERK OF THE BOARD

MAR 26 2008

DATE

APPROVED AS TO FORM:

Chris Smith
DEPUTY MARICOPA COUNTY ATTORNEY

3/21/08
DATE

John

EXHIBIT A PRICING

SERIAL 07165-RFP

PRICING SHEET: NIGP CODE 96164

BIDDER NAME:	<u>The Staubach Company</u>
VENDOR # :	<u>OOOO11391</u>
BIDDER ADDRESS:	<u>3131 E. Camelback Road, Suite 110, Phoenix, AZ 85016</u>
P.O. ADDRESS:	<u></u>
BIDDER PHONE #:	<u>602-840-9333</u>
BIDDER FAX #:	<u>602-840-9376</u>
COMPANY WEB	<u></u>
SITE:	<u>www.staubach.com</u>
COMPANY CONTACT (REP):	<u>Jim Sadler</u>
E-MAIL ADDRESS (REP):	<u>jim.sadler@staubach.com</u>

WILLING TO ACCEPT FUTURE SOLICITATIONS VIA EMAIL: ☒ YES ☐ NO

OTHER GOV'T. AGENCIES MAY USE THIS CONTRACT: ☒ YES ☐ NO

PAYMENT TERMS:

NET 30 ☒

1.0 PRICING:

**\$322,000.00 ~~337,000~~ (Reduced
15,000.00 to remove PR.
Component) 04/07/08**

1.1 BUSINESS CASE DEVELOPMENT (PHASE 1)

To be paid within 30 days from delivery and acceptance of final work product of Staubach.

1.2 PROJECT MANAGEMENT (PHASE 2)

THIS PHASE IS OPTIONAL AT THE COUNTY'S SOLE OPTION AND THE COUNTY HAS THE RIGHT TO SELECT EITHER OPTION BELOW.

1.2.1 (Select, Negotiate and Manage 3rd Party Developer)

2.50%

1.2.2 (Self Develop with General Contractor)

3.50%

Percentage fee shall be applied to all direct and indirect managed costs of project.

Fees shall be requisitioned by Staubach monthly and paid by County within 30 days of submittal from project inception through completion.

IF THE COUNTY PROCEEDS TO THE SECOND PHASE OF THE PROJECT, STAUBACH WILL REFUND \$125,000.00 OF THE PHASE 1 FEES.

EXHIBIT B

1.0 PHASE I – BUSINESS CASE DEVELOPMENT

The Staubach team will address the following elements within the Business Case. All work will be completed within ninety (90) days after contract approval. No payment or services will be billed until the work is completed (to County's satisfaction) and accepted by the County.

- 1.1 Existing Facilities Operating Audit: In order to evaluate each of the development scenarios in the proper context, it is first necessary to understand the programming requirements for the development and the current real estate occupancy costs of the County. This analysis will include a review and validation of all programming requirements, lease costs, finance/capital and operating costs for owned assets, allowance for funded and unfunded deferred maintenance and soft costs such as interoffice transportation, redundant IT systems, etc. Once the Base Case for current occupancy costs has been established, we will compare it against each of the potential development and financing scenarios.
- 1.2 Consider Appropriate Financing Alternatives: Staubach will identify and analyze the full range of financing alternatives and develop a "Preferred Capital Financing Plan". This evaluation will consider but not be limited to the issuance of public debt, a Certificate of Participation (COPS or COPS like) transaction through a special purpose entity, credit lease, lease purchase and other appropriate financing mechanisms. As part of our Executive Summary we will set forth our recommendation for financing strategies that best meet the requirements of the County. Obviously we will take into account the current cash position of the County, as well as bond rating and debt limitation issues.
- 1.3 Financial Analysis: Each of the finance and development scenarios will be set forth in appropriate financial models. Models will be calculated annually and cumulatively, and summarized as nominal and net present values. Individual categories of expense will include debt service schedules, lease costs, operating expenses such as utilities, insurance, real estate taxes, etc. Non-core real estate expenses such as information technology (voice and data), move costs, etc. will be identified as individual line items in our financial analysis.
- 1.4 Scenario Prioritization: Once the development scenarios have been thoroughly vetted, Staubach will prioritize those scenarios in two ways. First, we will identify strengths/weaknesses of each scenario and the challenges/benefits each presents. Concurrently, we will evaluate and prioritize the universe of scenarios in such a way as the County understands the "best" scenario for its stated purpose. Site selection options and cost of development differences needs to be included.
- 1.5 Budget Development: Staubach will create a development budget (professional fees, design, hard and soft costs) and translate that budget to future projected real estate occupancy costs as described in items 2 and 3 above. Staubach's Design and Construction team has tremendous experience in new construction cost estimation, and we will bring this expertise to bear on this project.
- 1.6 Energy and Water Conservation: While Staubach is not an engineering or architectural firm, we have significant experience working with, and leading projects with, LEED certification goals. "Green Building" design is the prevailing trend in public facilities today. Staubach will engage LEED and Green Building expertise as part of our team. As part of the Business Case creation and development, we will work with the County to identify specific conservation and sustainability goals for the building. We will identify opportunities to achieve these conservation goals, as well as determining the costs and benefits of each. Staubach understands that the County builds to LEED standard and does not typically seek certification unless certification is cost effective. Staubach will develop the full cost of LEED process certification and provide the County with the cost information for decision purposes.
- 1.7 Parking Needs and Strategy: All public facilities (urban and suburban) have parking issues and constraints. Access for constituents (especially those that may rely on public transportation), available street parking, and cost differences for surface or structured lots, and revenue opportunities to fund capital needs are all questions that need to be considered in the development program. The Parking Needs and Strategy shall include an analysis of alternative transportation methods available to any candidate site. Staubach will review any existing data or reports now in

the possession of the County and augment those studies as necessary. These studies will inform our overall project budget as described in item 1.5 above.

- 1.8 Schedule and Timetable: Staubach has significant experience in completing base building improvements and interiors (tenant fit-out). We will create a Schedule and Timetable for the County's review. The schedule will be presented in GANTT chart format in Microsoft Project or other appropriate software tool. In addition to construction schedules, with the County's help, we will also identify other key dates and milestones including community outreach meetings, public process/approvals, bond issuance, etc.
- 1.9 Strengths, Weaknesses and Opportunities: Each of the scenarios presented will have its own unique characteristics, strengths and weaknesses. Those will be pointed out in the Scenario Prioritization described in item 4 above. In addition, as we go through our discovery phase, we will point out opportunities to improve the delivery/finance model for the County. This could be procurement methodologies, construction bid process, risk mitigation or other factors.
- 1.10 Executive Summary: Staubach will prepare an executive summary for review by the County that will describe in narrative format our findings, observations and conclusions developed as a result of the activities conducted in items 1 through 9 above. We will also provide PowerPoint presentations for community and executive hearings. We are often called upon to present the Executive Summary or Business Case on behalf of our public clients and will be happy to do so as part of this assignment.

2.0 PHASE II - PROJECT MANAGEMENT & IMPLEMENTATION

The Staubach Design & Construction Consulting Services (DCCS) group's sole function is to facilitate the development process to maximize the County's control and minimize risk. By understanding that construction and redevelopment is a multi-billion dollar industry, it is often laden with relaxed standards, uneducated spending and little understanding of the values that are being sacrificed. To mitigate these issues, Staubach DCCS project management services applies an already developed process that tightens standards, promotes educated spending and enhances urgency whose net effect creates value engineering and places control of the project back into the hands of the County project personnel. Our professional approach toward planning and bidding construction services clarifies any ambiguities so vendors understand the scope and expectations required for the project.

- 2.1 Upon the County's pre-approval, assign a Designated Project Manager to be the main contact. Staubach shall obtain the County's pre-approve before any replacement of the Designated Project Manager.

The County has asked that we assign a Designated Project Manager (DPM) to be the main contact during Phase II implementation. The Designated Project Manager for Staubach will be involved throughout Phase I and II of the assignment. While the DPM is the principal point of contact in the later phases, we feel it is vitally important for the DPM to be involved in Phase I (development of the Business Case). In this way, we can be assured that our intentions during design, budgeting, and cost estimating are efficiently communicated and transitioned to the Phase II implementation/construction team.

DPM will attend and chair all Phase II meetings as necessary and will coordinate all follow on activities on behalf of Staubach. In addition to reporting directly to the County, he will update the Staubach Project Principals on a weekly basis. The DPM will not be replaced without the prior written consent of Maricopa County.

In addition to the DPM, the Staubach Team has created a critical Phase II management position of Project Executive for this complex project. John Wyss, Project Executive will have responsibility for the development and execution of construction project management assignments with the County/Staubach team and supporting the DPM and other personnel during the course of the project life-cycle. This includes fulfillment of the business case objectives, assuring County service, visiting the job site regularly, working closely with the estimating and project management teams as well as overseeing quality assurance. The Project Executive will work closely with the County's overall design and construction team to ensure the project goals are achieved, with specific focus on the project controls and reporting based on the County's metrics.

2.2 Define and refine the requirements of the project with Maricopa County.

If the Maricopa project follows other public procurements, Phase I (and much of Phase II) will be a dynamic and iterative process. As various design and construction scenarios are vetted, we will update and communicate scope changes, overall budgets and schedules. Schedules will be created in Microsoft Project (or other appropriate software) and reflect key dates, milestones, personnel accountability, etc.

2.3 Developer vs. Self-Develop Analysis

From the County's perspective, there are two general ways to structure the development of this downtown office construction project:

2.3.1 Owner-Builder. The County hires a consultant, plans and manages the design-construction effort, and maintains ownership control of the project. This approach maximizes economic returns to the County, but also places most of the project risks on the County (e.g., construction, equipment performance, financial performance, per section 1.2.2 Exhibit A).

2.3.2 Purchase Turn-Key Project. The County selects a qualified development company to provide the owner with a "turn-key" development project, which is built by the developer but owned by either the developer or the County. Moreover, it can be owned by the developer and later transferred to the County. Please refer to Alternative Transaction Structures on the following page for additional details (per section 1.2.2 Exhibit A).

2.4 Development RFP

Working with the County, we will develop RFP(s) that meet the needs and reflects the timeframes of the County. We will distribute the final RFP to the appropriate qualified local, regional and national developers. Once responses are received, we will review submittals, comparing on a "like kind" basis, and make recommendations to the County in terms of clarifications needed, justifiable modifications in scope, pricing, etc. Once we have evaluated the RFPs and made recommendations to the County, Staubach will assist the County operations and legal team in negotiating an effective and favorable development agreement with the selected developer.

2.5 Stakeholder Meetings

Public Buildings usually have both internal and external stakeholders. Working with our various team members, Staubach will coordinate meetings with internal stakeholders to gather input on functional needs and design issues including but not limited to space planning and programming, budget constraints, etc.

2.6 Project Meetings

The Designated Project Manager will chair weekly project meetings throughout the duration of the project and maintain appropriate meeting minutes. Meeting minutes will be distributed electronically and available in archives through a password protected intranet website established for the benefit of the team.

2.7 Communications

With input from the County, the DPM will establish a protocol for all communication issues throughout the project and prepare a project policies and procedures manual.

2.8 Project Program

We understand the need for appropriate documentation that defines the goals, expectations and components of the project including architectural design concept, schedule, project development budgets and operating budgets. With input from Maricopa County, Staubach and our Design and Construction Consulting staff we will assume responsibility for assembling and communicating this information in a concise, easy to read format. Project Program "books" can be used for internal approvals and consensus building, and historic justification should the need arise.

2.9 Design

Once the Program has been established, Staubach will monitor the design process to be sure that the design architect has captured all of the elements of the Program described above. Our focus will be to make sure we have accommodated the various elements of the program efficiently, meeting the needs of the County departments at a reasonable cost. The Designated Project Manager will identify any anomalies or deviation from the program, estimate the cost differential for such deviation and make recommendations on how best to “value engineer” the project to meet the County’s needs.

2.10 Construction

The DPM will assist the County in monitoring the construction progress (schedule and quality) and the budget. In fact, this is one of the principal areas in which Staubach believes we will add the greatest value for Maricopa County. The DPM will review and make recommendations on change order requests as required.

2.11 Tenant Improvements

Staubach will assist each department of Maricopa County by coordinating the construction of tenant improvements to plan and by reporting the progress of tenant improvement construction to management on a weekly basis.

2.12 Move In

Staubach will assist Maricopa County by planning and coordinating all tenant moves. Usually, we recommend that this be done by a professional move coordinator under contract to Staubach. If selected, Staubach will be pleased to retain a move coordinator at an additional cost to the County under our contract. We will oversee their activities throughout the move-in process.

2.13 Punch List and Warranty

With appropriate County personnel, Staubach will conduct inspections for final acceptance of the building and coordinate all systems commissioning, warranty and repair issues. We will make sure that the County has been provided copies of all systems and product manuals from the Developer/General Contractor.

2.14 Guarantee of Value

If, in the sole opinion of County, Staubach has not provided value, in terms of time, money, and qualitative issues, in excess of the cost of the Services, Staubach will waive all or part of the Fees it is to receive pursuant to this Agreement. Such Fee reduction is at the discretion of the County, provided that County gives written notice of such determination to Staubach within one week of either (i) County’s receipt of an invoice for such Fees to be paid by County or (ii) full execution of the transaction documents by the parties when the Fees for that transaction are to be paid by the other party to the transaction. Such reduction shall not be applicable to any portion of the compensation payable to any broker representing the other party in a disposition transaction. If County elects to exercise this right to reduce Staubach's Fee, County agrees to provide Staubach with a written summary of County's reasons for such Fee reduction. County will also provide Staubach with an additional opportunity to meet with County executives so that Staubach may understand and address any service issues that may have caused County to exercise this right.

2.15 Staubach’s Role: For the Project Management / DCCS Services, as described in “Design and Construction Consulting Services Provided For Lease Or Build-To-Suit Alternatives,” Staubach’s role is as a Project Management Consultant to County and this Agreement shall not in any way constitute a warranty or guaranty of any type beyond provision of the DCCS Services described herein. In all cases, the architect/designer, engineer, general contractor, subcontractors, material suppliers, and other contractors or vendors to County shall retain responsibility for the quality and scheduling of their work and for preparing and/or adhering to the plans, specifications, codes and/or ordinances applicable thereto. Staubach will use its best reasonable efforts to ensure performance from all such contractors and vendors to County, but will not be liable for the failure or inability of any such contractor or vendor to meet its contractual obligations to County. Further, this Agreement shall not in any way reduce the responsibility of County to fulfill any obligations it may have as the contracting party.

THE STAUBACH COMPANY, 3131 E. CAMELBACK ROAD SUITE 110, PHOENIX, AZ 85016

PRICING SHEET: NIGP CODE 9616402

Terms:	NET 30
Vendor Number:	W000011391 X
Telephone Number:	602/840-9333
Fax Number:	602840-9376
Contact Person:	Steve Corney
E-mail Address:	Steve.Corney@staubach.com
Certificates of Insurance	Required
Contract Period:	To cover the period ending March 31, 2009.